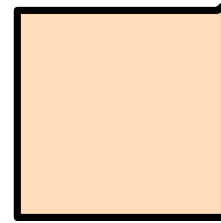
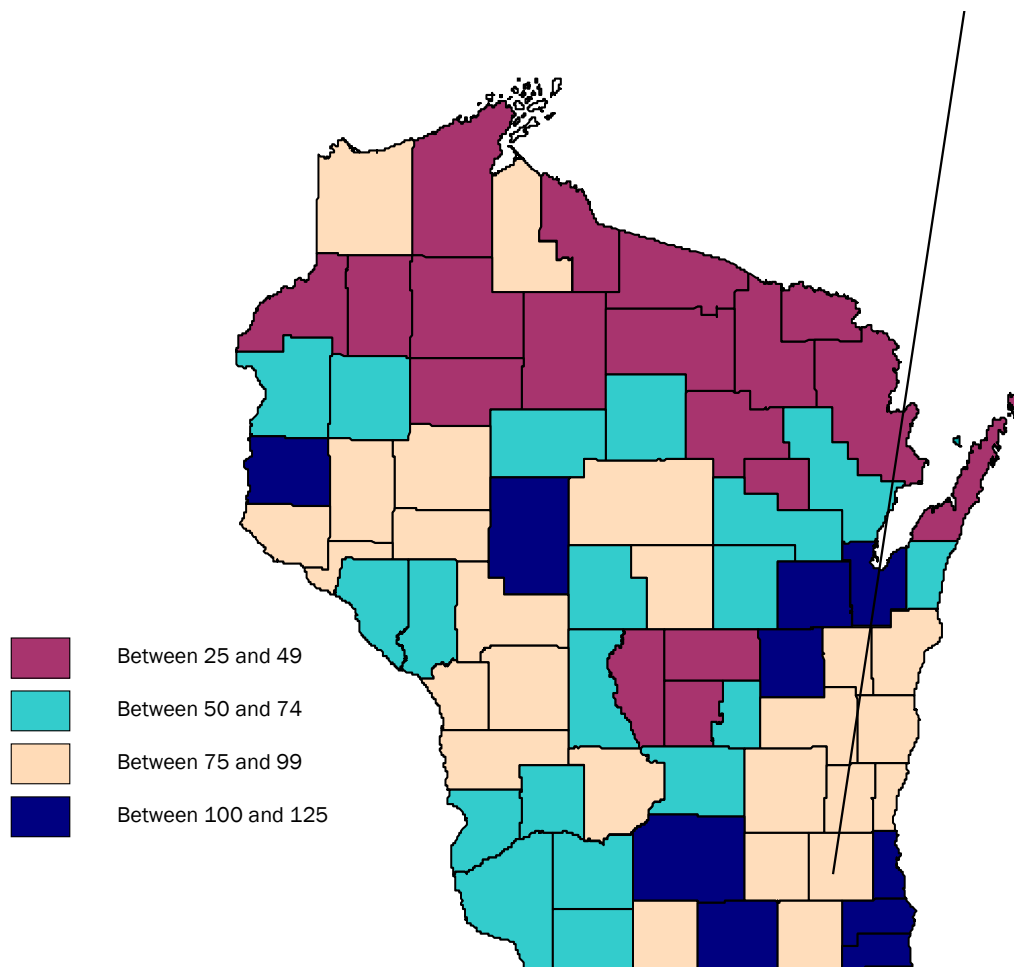


Waukesha County Workforce Profile



The number of residents aged 25-29 years for every
100 residents aged 60-64 years in year 2025



Source: Wisconsin Department of Administration, Demographic Services Center and the U.S. Bureau of Census.

For comparison, it is projected that there will be 90 residents aged 25-29 for every 100 residents aged 60-64 in Wisconsin in 2025. Nationally, it is projected that there will be 101 residents aged 25-29 for every 100 residents aged 60-64. In 2003, Wisconsin had 146 residents aged 25-29 for every 100 aged 60-64.



County Population

Waukesha County is the third most populous county in Wisconsin. In terms of geographic area, at 556 square miles, it ranks 54th largest of 72 counties. Juxtaposing these figures indicates a denser than average population, which stands at 671 residents per square mile in 2004. This is an increase of 22 residents per square mile since 2000.

Waukesha County has gained close to 12,600 more residents

Total Population

	April 2000 Census	Jan. 1, 2004 estimate	Numeric change	Percent change
United States	281,421,906	292,287,454	10,865,548	3.9%
Wisconsin	5,363,715	5,532,955	169,240	3.2%
Waukesha County	360,767	373,339	12,572	3.5%
Largest Municipalities				
Waukesha, City	64,825	66,816	1,991	3.1%
Brookfield, City	38,649	39,607	958	2.5%
New Berlin, City	38,220	38,896	676	1.8%
Menomonee Falls, Villag	32,647	33,660	1,013	3.1%
Muskego, City	21,397	22,203	806	3.8%
Oconomowoc, City	12,382	13,194	812	6.6%
Pewaukee, City	11,783	12,425	642	5.4%
Lisbon, Town	9,359	9,630	271	2.9%
Sussex, Village	8,828	9,576	748	8.5%
Pewaukee, Village	8,170	8,864	694	8.5%

Source: Wis. Dept. of Administration, Demographic Services and U. S. Census Bureau

since the 2000 census was taken. This is faster growth compared to Wisconsin, but is slower compared to the United States. The majority of new population resulted from net immigration of new residents as seen in the graph to the right.

Natural increase also accounted for a substantial portion of Waukesha's population growth as is expected of a metropolitan county. Waukesha has likely attracted a robust portion of residents in their child-rearing years.

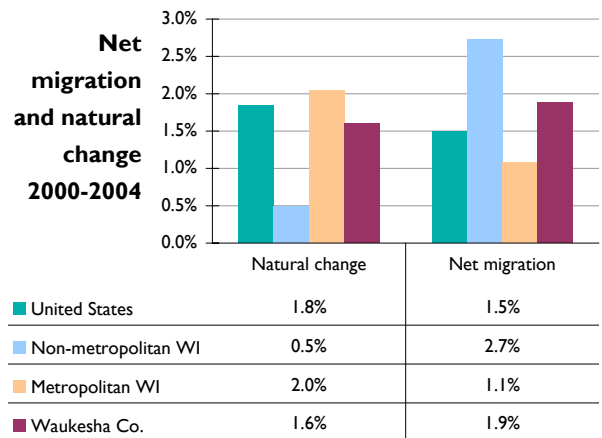
Age is the single most important aspect of tomorrow's economy. One cannot adequately discuss the county's future labor force, and in turn, its economy without addressing the nation's aging population. This profile will briefly address the ramifications of the aging population.

The graph to the immediate right compares Waukesha's projected population in 2005 and 2030 by five-year age group. A brief synopsis of these projections indicates that Waukesha is projected to add 63,000 more residents

over this 25-year period for a growth rate close to 17 percent. This is slightly faster than the state's 15 percent increase projection.

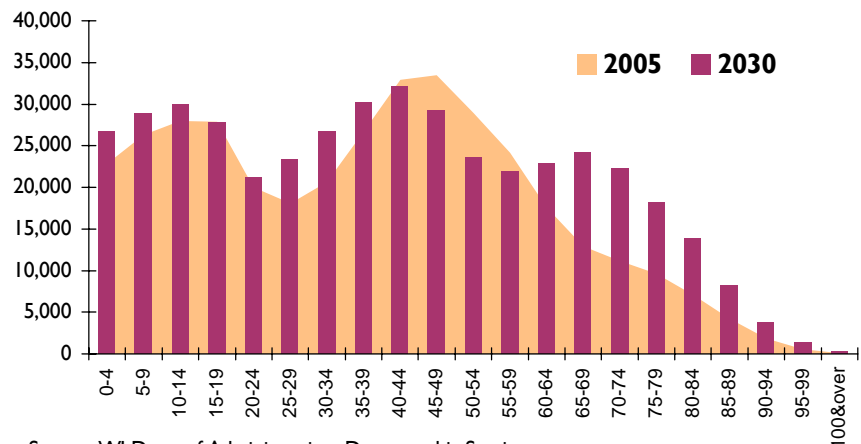
Growth is expected to occur by 2030 in most age groups with the exceptions of those ages 40 to late 50s, whom are currently known as 'Generation X'. The county's age composition will skew to the older side of age distribution. Over the next 25 years it is projected that the population ages 19 years and younger will grow eight percent. The population in their 'prime working years', ages 20 to 59, will grow more slowly at two percent. And the population ages 60 years and older will show the fastest growth rate, 77 percent. The acceleration of those 60 years and older will change their presence in the population from 17 percent of the total population in 2005 to 26 percent of the population by 2030.

With respect to Waukesha's economy, the aging population in this county and surrounding counties will have an



Source: WI Dept. of Admin., Demographic Services and U. S. Census Bureau

Population by Age Groups in Waukesha County



Source: WI Dept. of Administration, Demographic Services

Future Population and Labor Supply

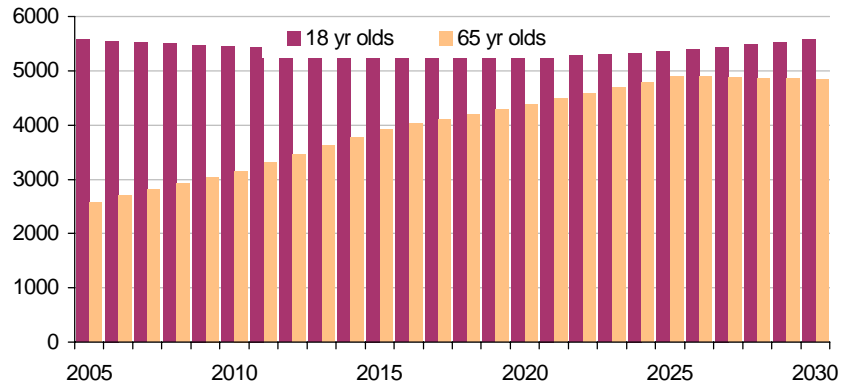
affect on the labor market, which in turn, will affect its demand for workers.

The graph to the right is an example of the changes in store for Waukesha's population and workforce. It compares the annual number of people in the county age 18 to those age 65, a mere "slice" of the population, but a salient age comparison nonetheless. The number of 18 year-olds represent those entering the labor force and the 65 year-olds represent those exiting. Very simply, the number of 65 year-olds will grow more quickly and almost as large as the stable number of 18 year-olds.

The age disparity presents a number of challenges. One is that the number of those leaving the workforce will exceed those entering. The reader should keep in mind that there have already been labor shortage situations in the 1990s (and currently) with "surplus" entrants. The coming years will likely present more pronounced labor shortages particularly in occupations that tend to be filled by those of a certain age group, gender, educational background, or skill set. Another challenge is that as the population ages, the economy changes. As residents age they place more demand on the community's providers of goods and services, i.e., health services, retail trade, leisure and hospitality, etc.

Waukesha's demographic imperatives are not as immediately pressing compared to other Wisconsin counties, where, for example, the number of those age 65 will exceed those turning 18. Regardless, Waukesha employers will compete for workers as they always have, but highly skilled/educated workers could be in

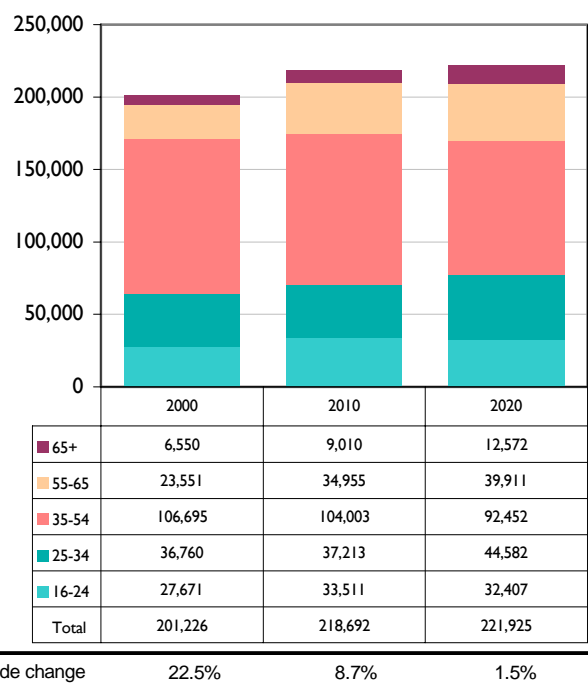
Convergence of 18 & 65 year old population in Waukesha County



Source: WI Dept. of Administration, Demographic Services

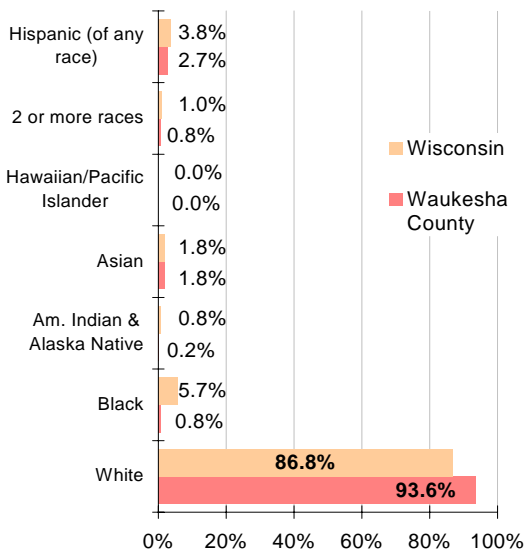
smaller supply relative to increased demand. Also, the labor force will be older and it is uncertain whether workers will remain in the labor force longer than they are currently. Trends suggest that workers are retiring at younger ages. Retirement is actually a subjective term as many rejoin the workforce, though usually in a reduced capacity. Older workers are very small portion of the workforce as the labor force participation rate of those 65 and older is very low. It is estimated that 28 percent of those ages 65-69 in Waukesha are in the labor force. At ages 70 years and older, this percentage approaches the 'teens to single digits as one might expect.

Waukesha County Labor Force Projections by Age



Source: DWD, Office of Economic Advisors, August 2004

Race and ethnic distribution



Source: U.S. Census Population Characteristics Estimates, 2002

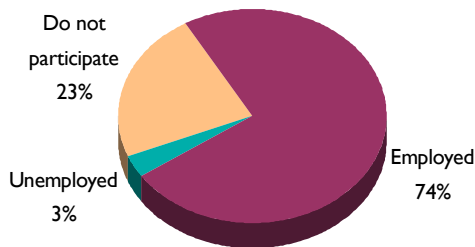
Current Labor Force

The unemployment rate remained at 4.5 percent in 2003 as the labor force increased in both its employed and unemployed compared to 2002. For all intents and purposes, Waukesha's labor force was rather resilient in 2003, which for many counties was the softest year of the recent economic downturn.

Waukesha's labor force participation rate (LFPR) in 2003 was 77.2 percent. This was the 15th highest county-level LFPR in

likely be gradual starting later this decade, though it will likely maintain its higher than average margin compared to the statewide and national rates. LFPR decline will not be unique to Waukesha County nor Wisconsin as this will be evident throughout the nation as the country's aging population begins to retire from the labor force.

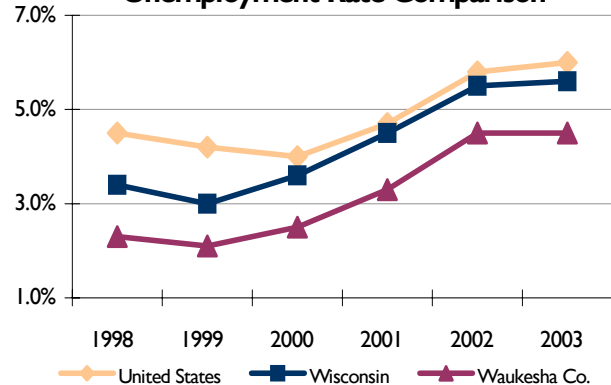
Labor force participation in Waukesha County



Source: DWD, Office of Economic Advisors, July 2004

the state and is four-tenths of a percentage point higher than its mark in 2002. Wisconsin has the distinction of having one of the nation's highest LFPR and has for many years. Waukesha's LFPR is higher than both the statewide average, 72.9 percent, and the national average, 66.2 percent. It is likely that Waukesha's LFPR has reached its peak or is close to it. A decline in LFPR will

Unemployment Rate Comparison



Waukesha County Civilian Labor Force Data

	1998	1999	2000	2001	2002	2003
Labor Force	212,582	211,455	212,000	216,125	215,836	217,462
Employed	207,663	207,071	206,674	208,946	206,227	207,649
Unemployed	4,919	4,384	5,326	7,179	9,609	9,813
Unemployment Rate	2.3%	2.1%	2.5%	3.3%	4.5%	4.5%

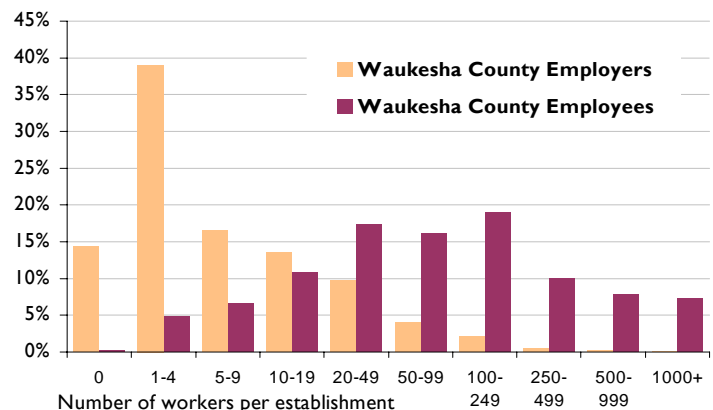
Source: WI DWD, Bur. of Workforce Information, Local Area Unemployment Statistics, 2003

Employers by Size

The majority of Waukesha County's employers are smaller as approximately 69 percent of them have between one and 19 employees. While this may seem to be an inordinately high share of smaller employers it is actually a typical share. The term "small employer" is subjective. Some define it as an employer with less than 500 employees and some define it as low as 20 employees or fewer.

From the employee perspective, the highest share of the county's employees work in establishments that employ 100-249 workers. In fact, almost 44 percent of all Waukesha County employees work in establishments with 100 or more total employment. On average, the number of employees per employer establishment is 17 in Waukesha County. This is about the same as Wisconsin's average and is higher than the national average, which is 13 employees per establishment.

Share of employers & employees in size range in 2003



Source: DWD, Bureau of Workforce Information, Table 221, July 2004

Industry & employers by size

Examination of a county's labor market from the demand (employer) point of view is essential to gauge the type of workforce employers are seeking. The tables below outline the county's top employing industries and the top employers by name and establishment size. The pie-graphs to the bottom indicate the prominence of these top industries and employers in terms of the county's total employment.

It is common for services-providing sectors to show the larg-

est and fastest employment growth in both one- and five-year periods. Some goods-producing sectors, like manufacturing industries, may still show a large employment presence, but they may likely show a loss of employment over these time-frames, too. It is also common for many counties traditionally heavy in goods-producing employment to now have services-providers, particularly those in health and education services, as their larger employers and industry sectors.

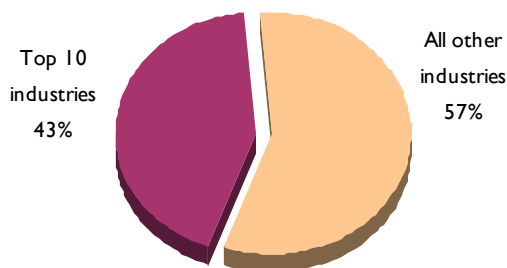
Top 10 Industries in Waukesha County

Industry	March 2004		Numeric Employment Change	
	Establishments	Employees	2003-2004	1999-2004
Food services & drinking places	490	12,841	795	2,582
Professional & technical services	1,154	12,779	1,023	948
Educational services	112	12,324	13	1,042
Merchant wholesalers, durable goods	903	11,096	-83	-399
Administrative & support services	543	9,629	-265	-1,391
Specialty trade contractors	989	9,577	128	186
Fabricated metal product manufacturing	265	8,735	-61	-810
Printing & related support activities	127	7,045	-14	-1,730
Machinery manufacturing	192	7,032	-347	-2,219
Ambulatory health care services	572	6,715	59	787

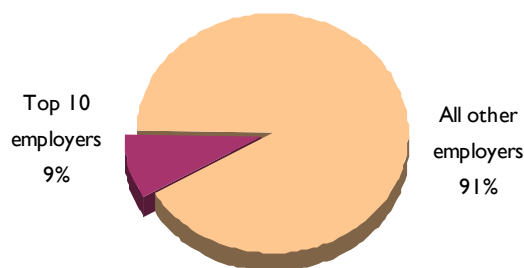
Top 10 privately owned Employers in Waukesha County

Establishment	Product or Service	Size (Dec. 2003)
Kohl's Department Stores Inc.	Discount department stores	Over 999 employees
Quad/Graphics Inc.	Packing and crating	Over 999 employees
Waukesha Memorial Hospital Inc.	General medical and surgical hospitals	Over 999 employees
The Gap Inc.	Family clothing stores	Over 999 employees
Target Corporation	Discount department stores	Over 999 employees
General Electric Co.	Medical equipment merchant wholesalers	Over 999 employees
Generac Power Systems Inc.	Motor and generator manufacturing	Over 999 employees
Wal-Mart Associates Inc.	Discount department stores	Over 999 employees
Community Memorial Hosp of Menomonee Falls	General medical and surgical hospitals	Over 999 employees
Cooper Power Systems Inc.	Electric power and specialty transformer mfg.	Over 999 employees

Share of jobs in top 10 industries in Waukesha County



Share of Waukesha County jobs with top 10 employers



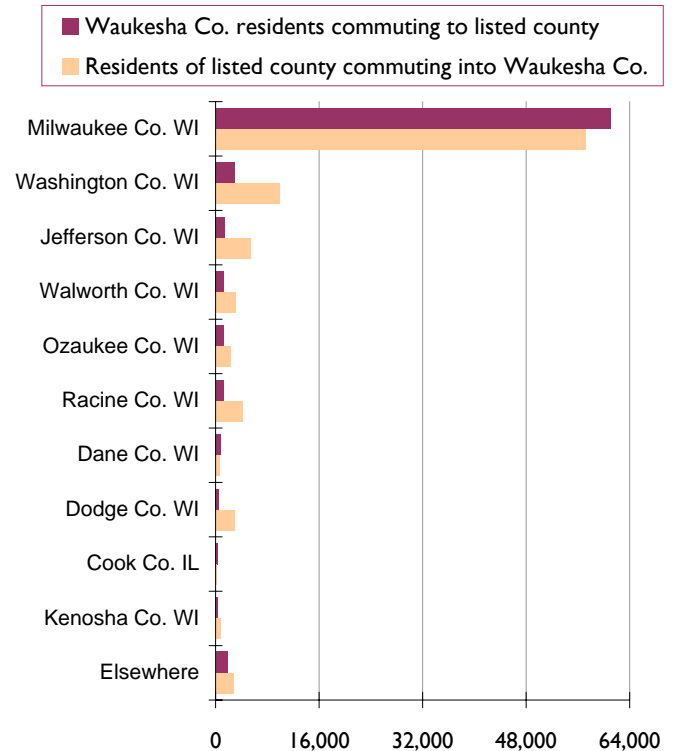
Source: DWD, Bureau of Workforce Information, Quarterly Census of Employment and Wages

Commuting

Commuting patterns evolve for many reasons such as job location, job wages, housing costs, transportation infrastructure, and the amenities and services available. Inter-county commuting in Wisconsin's largest metropolitan area is frequent and expected. In fact, metropolitan areas are defined almost exclusively by their commuting patterns.

Close to 38 percent of Waukesha County's employed commute to work in other counties with Milwaukee County receiving the majority of them. Approximately 83 percent of Waukesha's out-commuters (61,000 workers) work in Milwaukee County. Washington County employers have the second highest number with 3,000 Waukesha workers. The state average out-commute is approximately 25 percent of workers so Waukesha's outbound commuting is higher than average, but it is not unexpected.

Conversely, Waukesha County is also attractive to a large number of workers in adjacent counties. In fact, Waukesha's net commuting margin shows a positive draw of workers overall meaning it gains more workers than it loses. Over 57,000 Milwaukee County workers work in Waukesha County. Only two other counties gain more Waukesha workers than it sends to Waukesha—Dane County and Cook County, IL.



Source: U.S. Census 2000, Special tabulations: Worker Flow Files

Key occupations & wages

The table to the right lists the occupations with the most employment in the Milwaukee-Waukesha MSA as of May 2003. Their hourly wages are also displayed.

The hourly wages shown include the mean (average) and the median (50th percentile), which are the most frequently requested occupational data. The 25th and 75th percentile wages are also included to help give an indication of entry-level and experienced worker wages, respectively. The 25th percentile indicates that 75 percent of the total workers in this occupation earn more per hour than this wage. The 75th percentile wage indicates that 25 percent of workers make more than this hourly wage.

If the mean and median wages are relatively close, the labor market for this worker is probably tight or very competitive for hiring employers. If the median is significantly below the mean, an employer offering mean wages should have an advantage in attracting workers. On the same hand, prospective workers will likely find a higher than average level of competition for these jobs.

Occupation title	Hourly Wages			
	Mean	Percentile		
		25 th	50 th	75 th
Retail salespersons	\$10.54	\$7.37	\$8.76	\$11.46
Cashiers	\$8.00	\$6.93	\$7.87	\$8.79
Janitors & cleaners, except maids & housekeeping	\$10.14	\$7.84	\$9.35	\$11.41
Office clerks, general	\$11.86	\$9.19	\$11.16	\$13.79
Registered nurses	\$24.46	\$20.94	\$24.29	\$27.52
Comb. food prep. & serving workers (fast food)	\$7.74	\$6.49	\$7.72	\$8.68
Customer service representatives	\$14.85	\$11.42	\$13.76	\$17.18
Laborers & freight, stock, & material movers, hand	\$11.03	\$7.97	\$9.96	\$12.97
Team assemblers	\$13.06	\$9.68	\$12.23	\$15.80
Bookkeeping, accounting, & auditing clerks	\$14.18	\$11.53	\$13.70	\$16.70
Nursing aides, orderlies, & attendants	\$10.60	\$8.97	\$10.58	\$12.31
Sales reps, whls. & mfg, except tech. & scientific	\$27.32	\$18.20	\$24.16	\$32.53
Secretaries, except legal, medical, & executive	\$12.95	\$10.47	\$12.67	\$15.26
Waiters & waitresses	\$7.66	\$6.02	\$6.74	\$9.05
Executive secretaries & admin. assistants	\$16.25	\$12.96	\$15.59	\$18.93
Stock clerks & order fillers	\$10.18	\$7.41	\$9.11	\$12.18
Truck drivers, heavy & tractor-trailer	\$17.80	\$14.98	\$17.46	\$20.80
General & operations managers	\$47.90	\$26.76	\$40.59	\$62.79
Elem. school teachers, except special ed.	*	*	*	*
1st-line suprvs/mgrs. of office & admin. support	\$22.20	\$15.69	\$20.14	\$26.63

Waukesha County is part of an area which includes Milwaukee, Waukesha, Ozaukee and Washington counties.

Source: DWD, Bureau of Workforce Information, Occupation Employment Statistics Survey 2003

Employment and Wages

One might understand why so many workers commute to Waukesha County as its average wages, overall, are the highest paid in state. And one could also understand the Waukesha out-commute to Milwaukee as their wages rank second-highest. Waukesha's employers paid 15 percent higher wages than state average in 2003. Most of Waukesha's industry sectors pay above average with the exceptions of leisure and hospitality and public administration.

Average industry wage levels are not only determined by the industry itself, but also by their occupational compositions. Employees' wages are based upon skill, education, experience, etc., and are measurable at the occupational level. Some industries' annual wage levels are influenced by their seasonal patterns, especially those that only sustain for brief periods in the year. Some industries employ a high percentage of entry-level and part-time workers, which keep annual average wages low.

The differences in industries' wage levels across Wisconsin can be explained by the above mentioned occupational composition. Waukesha census data show that the county is home to a higher than average proportion of those working

Average Annual Wage by Industry Division in 2003

	Average Annual Wage		Percent of	1-year
	Wisconsin	Waukesha County	Wisconsin	% change
All Industries	\$ 33,423	\$ 38,578	115.4%	2.4%
Natural resources	\$ 25,723	\$ 36,545	142.1%	2.8%
Construction	\$ 40,228	\$ 47,036	116.9%	1.4%
Manufacturing	\$ 42,013	\$ 46,889	111.6%	3.2%
Trade, Transportation, Utilities	\$ 28,896	\$ 33,513	116.0%	1.6%
Information	\$ 39,175	\$ 47,334	120.8%	Not avail.
Financial activities	\$ 42,946	\$ 51,528	120.0%	6.2%
Professional & Business Services	\$ 38,076	\$ 46,041	120.9%	1.4%
Education & Health	\$ 35,045	\$ 35,222	100.5%	2.1%
Leisure & Hospitality	\$ 12,002	\$ 11,469	95.6%	1.5%
Other services	\$ 19,710	\$ 23,471	119.1%	2.0%
Public Administration	\$ 35,689	\$ 33,875	94.9%	5.8%

Source: WI DWD, Bureau of Workforce Information, Quarterly Census of Employment & Wages

in managerial and professional occupations, who tend to earn higher salaries. Also, it is a fact that employers in metropolitan counties, on average, pay higher wages than non-metropolitan counties. Wisconsin's overall average wages are heavily weighted towards metropolitan employment so the fact that Waukesha County pays considerably higher than state average is even more remarkable. Nonetheless, the county's wage premium is not unexpected given its higher paying industry composition and occupational composition.

2003 Employment and Wage Distribution by Industry in Waukesha County

	Employment		Total Payroll	
	Annual average	1-year change		
Natural Resources	568	-1	\$ 20,757,769	
Construction	16,104	132	\$ 757,472,548	
Manufacturing	47,645	-1,416	\$ 2,234,028,629	
Trade, Transportation, Utilities	49,399	-411	\$ 1,655,503,830	
Information	5,278	suppressed	\$ 249,830,624	
Financial Activities	14,709	1,121	\$ 757,923,997	
Professional & Business Services	26,859	1,064	\$ 1,236,617,446	
Education & Health	31,912	779	\$ 1,123,995,978	
Leisure & Hospitality	17,561	566	\$ 201,405,419	
Other services	6,910	11	\$ 162,182,924	
Public Administration	6,466	-67	\$ 219,033,726	
Not assigned	0	0	0	
All Industries	223,414	1,778	\$8,618,867,514	

■ % of Total Employment
■ % of Total Payroll

Source: WI DWD, Bureau of Workforce Information, Quarterly Census Employment and Wages, June 2004

Per Capita Personal Income (PCPI)

Income is the resultant combination of all the manners in which people or families or households obtain monies. The majority of a county's total income comes from wages earned from jobs. Waukesha County, as a whole, obtains a higher than average share of its total income from earned wages and from dividends and interest than from other income sources. (graph, bottom right). It obtains a lower than average share of its total income from governmental transfer payments.

Per capita personal income (PCPI) is the most utilized statistic in referencing a local area's comparative economic health. One must keep in mind that a per capita measurement implies that the population portion of the equation is just as meaningful to PCPI as the dollars being divided by it. If a population grows

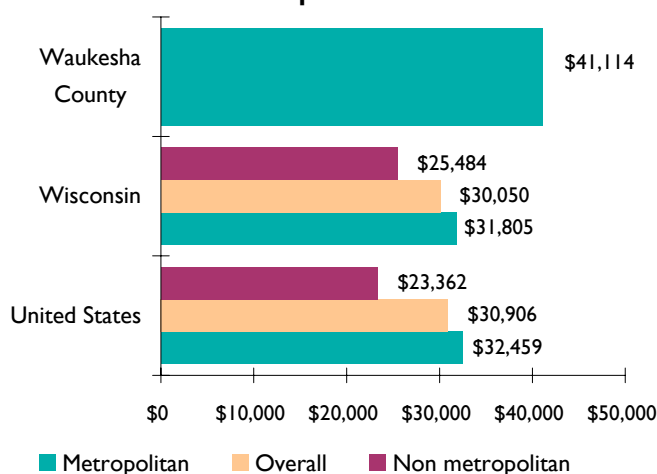
more rapidly than its total personal income or its number of earners then PCPI may show slower growth if not decline. This is especially true when counties have large increases of young children, who usually do not obtain income, but are nevertheless part of the total population.

Waukesha County's PCPI has grown more slowly than the state and U.S. PCPI over the last five years. But total personal income (not shown) has grown equally fast as the state average. Faster population growth of non-earners in the county, such as young children, have likely slowed the pace of PCPI growth compared to total income growth. Waukesha County had the second highest PCPI of all Wisconsin counties in 2002.

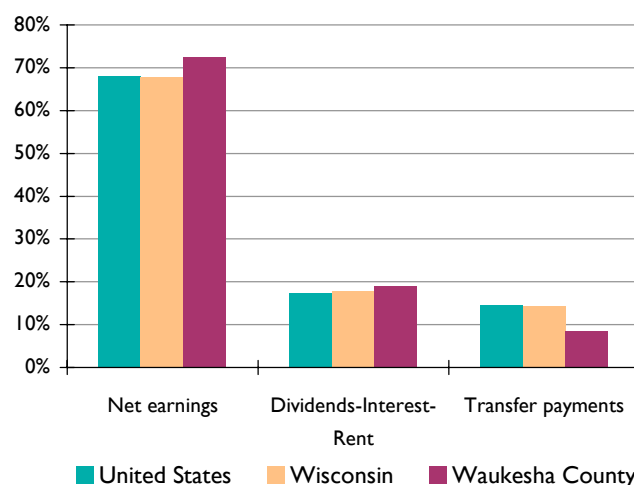
	Per Capita Personal Income						Percent Change	
	1997	1998	1999	2000	2001	2002	1 year	5 year
United States	\$25,334	\$26,883	\$27,939	\$29,847	\$30,527	\$30,906	1.2%	22.0%
Wisconsin	\$24,514	\$26,175	\$27,135	\$28,573	\$29,361	\$30,050	2.3%	22.6%
Metropolitan WI	\$25,972	\$27,711	\$28,770	\$30,317	\$31,106	\$31,805	2.2%	22.5%
Waukesha County	\$34,502	\$37,026	\$38,674	\$41,041	\$40,838	\$41,114	0.7%	19.2%
In current dollars (adjusted to U.S. CPI-U)								
United States	\$28,397	\$29,670	\$30,170	\$31,181	\$31,010	\$30,906	-0.3%	8.8%
Wisconsin	\$27,478	\$28,889	\$29,301	\$29,850	\$29,825	\$30,050	0.8%	9.4%
Metropolitan WI	\$29,111	\$30,584	\$31,067	\$31,672	\$31,598	\$31,805	0.7%	9.3%
Waukesha County	\$38,672	\$40,864	\$41,761	\$42,876	\$41,484	\$41,114	-0.9%	6.3%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, May 2004

2002 Per Capita Personal Income



Components of Total Personal Income: 2002



Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, May 2004

The county workforce profiles are produced annually by the Office of Economic Advisors in the Wisconsin Department of Workforce Development. The author of this profile and regional contact for additional labor market information is:

Eric Grosso
P.O. Box 7944
Madison, WI 53707
Phone: 608-266-7034
email: Eric.Grosso@dwd.state.wi.us

Metropolitan Statistical Area (MSA) - A single county or group of counties that include at least one urbanized area with a minimum population of 50,000. Multiple-county MSAs have a central county or counties, which have a high degree of social and economic integration with the other member counties as measured by commuting data.

Non-metropolitan county - Any county that is not a member of a metropolitan statistical area.

Net Migration - One of two components of population change. It is the net result of individuals who either moved into or out of an area.

Natural Change - One of two components of population change. It is the result of the number of births minus the number of deaths in an area over a period of time. A natural increase indicates there were more births than deaths. A natural decrease indicates there were more deaths than births.

Employed - Persons 16 years of age or older, who worked as paid employees, or worked in their own business, profession or farm, or worked 15 hours or more as unpaid workers in a family-operated enterprise. Includes those temporarily absent from their jobs due to illness, bad weather, vacation, childcare problems, labor dispute, maternity or paternity leave, or other family or personal obligations.

Unemployed - Persons 16 years of age or older with no employment, who were available for work and made efforts to find employment sometime during the previous 4-week period ending with the monthly reference week. Persons who were awaiting recall to a job did not need to look for work to be classified as unemployed.

Labor Force - The sum of the employed and unemployed, whom are at least 16 years of age and older.

Unemployment Rate - The number of unemployed divided by the labor force. It is expressed as a percentage of the labor force.

Labor Force Participation Rate (LFPR) - The labor force divided by the total population aged 16 years and older. It is expressed as a percentage of the population aged 16 years and older.

Suppressed - Data is withheld or suppressed if it does not meet certain criteria. If an industry in a county has fewer than three employers or if a single employer employs 80% or more that industry's total employment in that county then the data are suppressed. These criteria were established to maintain the confidential reporting of payroll and employment by employers.

Total Personal Income - The aggregate income of an area received by all persons from all sources. It is calculated as the sum of wage and salary disbursements (less contributions for government social insurance), supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts that include retirement and veteran's benefits, government paid medical reimbursements, and income maintenance program payments.

Per Capita Personal Income (PCPI) - Total personal income divided by the total population.

Current Dollars - Phrase used to express historical dollar values in terms of their current purchasing power via inflation adjustment.

CPI-U - Consumer Price Index for all urban consumers, the most commonly used measure of inflation in the United States.